

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2022/2023

BAC1064 –ACCOUNTING FOR DECISION MAKING

(All sections / Groups)

**3 OCTOBER 2023
9.00 AM – 11.00 AM
(2 Hours)**

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of 3 pages excluding cover page with 4 Questions only.
2. Answer **ALL** questions.
3. Please write all your answers in the Answer Booklet provided.

QUESTION 1**Part A**

Bloom Sdn Bhd provided the following costing information for the year 2022:

	1 Jan 2022	During 2022	31 Dec 2022
	(RM)	(RM)	(RM)
Raw materials inventory	58,400		22,100
Work in process inventory	45,800		11,700
Finished goods inventory	16,600		10,500
Materials purchased		65,000	
Direct labor		35,500	
Manufacturing overhead		21,300	
Sales revenue		275,000	

Required:

- Compute the manufacturing costs for the year 2022. Show all workings. (4 marks)
- Based on the answer in (a), prepare the Cost of Goods Manufactured Schedule for the year ended 31 December 2022. (5 marks)
- Prepare the Statement of Profit or Loss (until gross profit) for the year ended 31 December 2022. (8 marks)

Part B

Chocolatier Sdn Bhd provided the following cost information for its premium chocolate product:

	Per Unit (RM)
Sales price	150
Less: Variable cost	30
Contribution margin	120
Total fixed costs	RM780,000

Required:

Answer the following independent questions and show computations using the contribution margin technique to support your answers. Round up to two decimal points.

- Compute the total number of units to be sold in order to break even. (2 marks)
- Compute the total sales that must be generated for the company to earn a profit of RM150,000. (3 marks)
- Classify any THREE (3) basic components of cost-volume-profit analysis. (3 marks)

[TOTAL 25 MARKS]

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QUESTION 2**Part A**

Stiletto Sdn Bhd provided the following transactions for the year 2022:

1. Incurred depreciation expense totaled RM7,000.
2. Issuance of RM80,000 ordinary shares through cash.
3. Made payment for accounts payable amounted RM21,000.
4. Purchased office supplies for RM11,200 for cash.
5. Declared and paid a cash dividend of RM 15,000.
6. Made short-term investment to Baidu Sdn Bhd RM25,000.
7. Received payment for accounts receivable amounted RM32,000.
8. Purchased factory equipment for RM6,000 cash.
9. Purchased land costing RM500,000 through issuance of ordinary shares.
10. Issuance of RM 150,000 ordinary shares upon conversion of bonds having a face value of RM 150,000.

Required:

Based on the transactions above, classify whether the transactions resulted in a cash flow from operating activities, investing activities, financing activities or non-cash investing and financing activities. (10 marks)

Part B

Valley Sdn Bhd reported a net income of RM350,000 for the current year. Depreciation recorded on buildings and equipment amounted to RM62,000 for the year. Balances of the current asset and current liability accounts at the beginning and end of the year 2022 are as follows:

	<u>1 January 2022</u>	<u>31 December 2022</u>
	(RM)	(RM)
Cash	55,000	81,500
Accounts receivable	32,000	45,000
Inventories	44,500	73,200
Prepaid insurance	11,200	4,800
Office supplies	12,600	23,400
Accounts payable	10,700	25,000
Income taxes payable	2,500	5,500

Required:

Based on the above information, prepare the Statement of Cash Flow until operating activities section for the year ended 31 December 2022, using the Indirect Method. Show all workings. (15 marks)

[TOTAL 25 MARKS]

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QUESTION 3

Liam Sdn Bhd provided the following budgeted sales and direct materials purchases:

	<u>Budgeted Sales</u>	<u>Budgeted D.M. Purchases</u>
	(RM)	(RM)
January	300,000	60,000
February	330,000	70,000
March	350,000	80,000

Liam's sales are 40% cash and 60% credit. Credit sales are collected 10% in the month of sale, 50% in the month following sale, and 36% in the second month following sale; 4% are uncollectible.

Liam's purchases are 50% cash and 50% on account. Purchases on account are paid 40% in the month of purchase, and 60% in the month following purchase.

Required:

- Prepare a schedule of expected collections from customers for March. (10 marks)
- Prepare a schedule of expected payments for direct materials for March. (8 marks)
- The master budget contains two classes of budgets which are operating budgets and financial budgets. Show the SEVEN (7) individual budgets under the operating budgets. (7 marks)

[TOTAL 25 MARKS]

QUESTION 4

Rimmel Sdn Bhd manufactures business suits. The company uses a standard cost accounting system. In June 2022, 11,500 suits were made. The following data refers to direct material and direct labour costs incurred by the company during the said month. All materials purchased were used in production.

Cost element	Standard (per unit)	Actual
Direct material	5 meters at RM 6.50 per meter	RM 392,000 for 56,000 meter
Direct labour	1 hour at RM 11.50 per hour	RM 123,200 for 11,200 hours

Required:

- Compute the total material variance, material price variance and material quantity variance. Identify whether the variance is favorable or unfavorable. (12 marks)
- Compute the total labour variance, labour price variance and labour quantity variance. Identify whether the variance is favorable or unfavorable. (12 marks)
- Illustrate ONE (1) similarity between standard and budget costs. (1 mark)

[TOTAL 25 MARKS]

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